

CITY OF WENATCHEE, WASHINGTON
WATER AND SEWER REVENUE AND REFUNDING BONDS, 2011

\$18,705,000

ORDINANCE NO. 2011-28

AN ORDINANCE of the City of Wenatchee, Washington, authorizing the issuance and sale of water and sewer revenue and refunding bonds of the City in the principal amount of \$18,705,000 to finance certain capital improvements to the water, sewer and storm drainage system of the City, to refund certain outstanding water and sewer bonds and storm drainage bonds of the City; to provide the terms and covenants of the bonds to be issued; and to combine the City's water and sewer system and the storm drainage system for financing purposes.

Passed: May 26, 2011

*This document prepared by:
Foster Pepper PLLC
1111 Third Avenue, Suite 3400
Seattle, Washington 98101
(206) 447-4400*

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WHEREAS, the City of Wenatchee, Washington (the "City") now owns, maintains and operates a water supply and distribution system and a sewage collection and disposal system, which water and sewer systems have been combined for financing purposes (the "Water and Sewer System"); and

WHEREAS, the Council of the City (the "Council") by Ordinance No. 98-19 passed on April 29, 1998, authorized the issuance of its Water and Sewer Revenue Bonds, 1998 (the "1998 Water and Sewer Bonds"), currently outstanding in the aggregate principal amount of \$1,885,000; and

WHEREAS, Ordinance No. 98-19 provides that the 1998 Water and Sewer Bonds maturing on and after December 1, 2008 may be redeemed prior to their maturing on any date on and after June 1, 2008, at a price of par plus accrued interest to the date fixed for redemption; and

WHEREAS, there are presently outstanding \$1,885,000 par value of 1998 Water and Sewer Bonds maturing on December 1 of each of the years 2011 through 2013, inclusive, 2018 and 2023, and bearing various interest rates from 4.875% to 5.15% (the "1998 Water and Sewer Refunded Bonds"); and

WHEREAS, the Council by Ordinance No. 2004-32 passed on September 23, 2004, authorized the issuance of its Water and Sewer Revenue Refunding Bonds, 2004 (the "2004

Water and Sewer Bonds”), currently outstanding in the aggregate principal amount of \$920,000; and

WHEREAS, the Council by Ordinance No. 2007-43 passed on November 8, 2007, authorized the issuance of its Water and Sewer Revenue Bonds, 2007 (the “2007 Water and Sewer Bonds,” and together with the 1998 Water and Sewer Bonds and the 2004 Water and Sewer Bonds, the “Outstanding Water and Sewer Bonds”), currently outstanding in the aggregate principal amount of \$4,685,000; and

WHEREAS, the City also owns, maintains and operates a storm drainage system (the “Storm Drainage System”); and

WHEREAS, the Council by Ordinance No. 98-20 passed on April 29, 1998, authorized the issuance of its Storm Drainage Revenue Bonds, 1998 (the “1998 Storm Drainage Bonds”), currently outstanding in the aggregate principal amount of \$1,640,000; and

WHEREAS, Ordinance No. 98-20 provides that the 1998 Storm Drainage Bonds maturing on and after December 1, 2008 may be redeemed prior to their maturing on any date on and after June 1, 2008, at a price of par plus accrued interest to the date fixed for redemption; and

WHEREAS, there are presently outstanding \$1,640,000 par value of 1998 Storm Drainage Bonds maturing on December 1 of each of the years 2011 through 2013, inclusive, and 2018, and bearing various interest rates from 4.875% to 5.10% (the “1998 Storm Drainage Refunded Bonds,” and together with the 1998 Water and Sewer Refunded Bonds, the “Refunded Bonds”); and

WHEREAS, the ordinances authorizing the Outstanding Water and Sewer Bonds provide that the City may issue additional water and sewer revenue bonds on a parity with the

Outstanding Water and Sewer Bonds for the purpose of making capital improvements to the System or refunding outstanding bonds if certain conditions are met; and

WHEREAS, Ordinance No. 98-20 provides that the City may issue additional storm drainage revenue bonds on a parity with the 1998 Storm Drainage Bonds for the purpose of making capital improvements to the Storm Drainage System or refunding outstanding bonds if certain conditions are met; and

WHEREAS, the Council provided in Ordinances No. 98-19, 2004-32, 2007-43 and 98-20 authorizing the 1998 Water and Sewer Bonds, the 2004 Water and Sewer Bonds, the 2007 Water and Sewer Bonds and the 1998 Storm Drainage Bonds that the City may combine its Storm Drainage System with the Water and Sewer System; and

WHEREAS, the City deems it advisable to combine the Storm Drainage System into the Water and Sewer System to be known as the "System"; and

WHEREAS, it appears to the Council that it is in the best interests of the City and its ratepayers to make certain improvements to the System and to refund the Refunded Bonds in order to effect a savings to the City and its ratepayers with its Water and Sewer Revenue and Refunding Bonds (the "Bonds"); and

WHEREAS, the Council hereby finds that it is in the best interests of the City that the written offer of D.A. Davidson & Co., to purchase the Bonds be accepted and that the Bonds be sold to such firm pursuant to their offer and this ordinance;

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Wenatchee, Washington, as follows:

Section 1. Definitions. As used in this ordinance, the following words shall have the following meanings:

“Acquired Obligations” means those United States Treasury Certificates of Indebtedness, Notes, and Bonds--State and Local Government Series and other direct, noncallable obligations of the United States of America purchased to accomplish the refunding of the Refunded Bonds as authorized by this ordinance.

“Annual Debt Service” means the aggregate amount required to be paid in any calendar year for the interest on all Parity Bonds then outstanding, for the principal of all Parity Bonds then outstanding except Term Bonds and for the payments required to be made in such year into the Sinking Fund Account for the amortization of Term Bonds.

With the consent of the appropriate percentage of owners of the outstanding Parity Bonds, the City may pass a supplemental ordinance supplementing this ordinance for the purpose of providing that in calculating the Annual Debt Service, the City may exclude the direct payment the City is expected to receive in respect of any Future Parity Bonds for which the federal government will provide the City with a direct payment of a portion of the interest from the interest portion of Annual Debt Service. The owners of the Bonds by taking and holding the same shall be deemed to have consented to the adoption by the City of such supplemental ordinance.

“Assessment Income” means the principal of and interest on assessments levied in ULIDs and pledged to be paid into the Bond Fund. Assessment Income shall be allocated to the years in which it would be received if the unpaid balance of each assessment roll were paid in the remaining number of installments with interest on the declining balance at the times and at the rate provided in the ordinance confirming the assessment roll.

“Assessments” means all assessments levied in any ULID of the City created for the acquisition or construction of additions and improvements to and extensions of the System, if

such assessments are pledged to be paid into the Bond Fund. "Assessments" include any installments of Assessments and any interest or penalties which may be due thereon.

"Bond Fund" means the "Wenatchee Water, Sewer and Storm Drainage Revenue Bond Fund" created by Section 8 of this ordinance.

"Bond Register" means the records maintained on behalf of the City containing the name and mailing address of each owner of the Bonds or the nominee of such owner, and such other information as the Bond Registrar shall determine.

"Bond Registrar" means the fiscal agency of the State of Washington in New York, New York, whose duties include registering and authenticating the Bonds, maintaining the Bond Register, transferring ownership of the Bonds, and paying the principal of and interest on the Bonds.

"Bond Reserve Account" or "Reserve Account" means the reserve account created in the Bond Fund by Section 8 of this ordinance.

"Bonds" means the City's Water and Sewer Revenue and Refunding Bonds, 2011, in the aggregate principal amount of \$18,705,000, issued pursuant to this ordinance.

"City" means the City of Wenatchee, Washington, a municipal corporation duly organized and existing under and by virtue of the laws of the State of Washington.

"Code" means the Internal Revenue Code of 1986, as amended, and all applicable regulations and rulings.

"Cost of Maintenance and Operation" means all necessary expenses of operating the System, current maintenance expenses, expenses of reasonable upkeep and repairs, insurance and administrative expenses and reasonable pro rata budget charges for services provided to the System by City departments, but excludes depreciation, payments for debt service or into reserve

accounts, costs of capital additions to or replacements of the System, municipal taxes and payments to the City in lieu of taxes.

“Council” means the City Council of the City, the general legislative authority of the City, as the same shall be duly and regularly constituted from time to time.

“Debt Service Account” means the account of that name created in the Bond Fund by Section 8 of this ordinance.

“District” means Public Utility District No. 1 of Chelan County, Washington.

“DTC” means The Depository Trust Company, New York, New York.

“Future Parity Bonds” means any revenue bonds or revenue obligations of the City issued after the date of the issuance of the Bonds and having a lien upon Revenue of the System for the payment of the principal thereof and interest thereon equal to the lien upon the Revenue of the System for the payment of the principal of and interest on the Parity Bonds.

“Letter of Representations” means the Blanket Issuer Letter of Representations from the City to DTC.

“MSRB” means the Municipal Securities Rulemaking Board or any successors to its functions.

“Net Revenue” means the Revenue of the System less the Cost of Maintenance and Operation.

“1998 Water and Sewer Bonds” means the City’s Water and Sewer Revenue Bonds, 1998, issued under date of May 1, 1998 in the principal amount of \$2,720,000 pursuant to Ordinance No. 98-19.

“1998 Storm Drainage Bonds” means the City’s Storm Drainage Revenue Bonds, 1998, issued under date of May 1, 1998 in the principal amount of \$3,190,000 pursuant to Ordinance No. 98-20.

“Operating Fund” means collectively the “Water and Sewer Fund,” the “Regional Water Fund” and the “Storm Drainage Fund” created in the treasury of the City.

“Outstanding Water and Sewer Bonds” means the 2004 Water and Sewer Bonds and the 2007 Water and Sewer Bonds.

“Parity Bonds” means any revenue bonds or revenue warrants issued by the City which have a lien upon the Revenue of the System to pay and secure the payment of the principal thereof and interest thereon equal to the lien created upon the Revenue of the System to pay and secure the payment of the principal of and interest on the Bonds. “Parity Bonds” includes the 2004 Water and Sewer Bonds, the 2007 Water and Sewer Bonds, the Bonds and any future revenue bonds or warrants issued on a parity therewith.

“Qualified Insurance” means any noncancelable municipal bond insurance policy or surety bond issued by any insurance company licensed to conduct an insurance business in any state of the United States (or by a service corporation acting on behalf of one or more such insurance companies), which insurance company or service corporation, as of the time of issuance of such policy or surety bond, is rated in one of the two highest rating categories by either Moody’s Investors Service or Standard & Poor’s Ratings Services, or their comparably recognized business successors.

“Qualified Letter of Credit” means any irrevocable letter of credit issued by a financial institution for the account of the City on behalf of the owners of any Parity Bonds, which institution maintains an office, agency or branch in the United States and as of the time of

issuance of such letter of credit, is rated in one of the two highest rating categories by either Moody's Investors Service or Standard & Poor's Ratings Services, or their comparably recognized business successor.

"Rate Stabilization Account" means the account of that name authorized to be created within the Operating Fund pursuant to Section 6.

"Refunded Bonds" means the Water and Sewer Refunded Bonds and the Storm Drainage Refunded Bonds.

"Refunding Plan" means:

- (a) the placement of sufficient proceeds of the Bonds which, with other money of the City, if necessary, will acquire the Acquired Obligations to be deposited, with cash, if necessary, with the Refunding Trustee;

- (b) the payment of the principal of and interest on the Refunded Bonds when due up to and including July 11, 2011, and the call, payment, and redemption on July 11, 2011, of all of the then-outstanding Refunded Bonds at a price of par; and

- (c) the payment of the costs of issuing the Bonds and the costs of carrying out the foregoing elements of the Refunding Plan.

"Refunding Trust Agreement" means a Refunding Trust Agreement between the City and the Refunding Trustee.

"Refunding Trustee" means U.S. Bank National Association of Seattle, Washington, serving as trustee or escrow agent or any successor trustee or escrow agent.

"Regional Facilities Operating Account" means the account of that name created in the Operating Fund by Section 7 of Ordinance No. 2352.

"Regional Facilities Repair and Replacement Reserve Account" or "Repair and Replacement Reserve" means the account of that name created in the Operating Fund by Section 7 of Ordinance No. 2352.

“Regional Water Fund” means the “Wenatchee Regional Water Fund” created by Ordinance No. 2284 for the purpose of paying the costs of planning and constructing regional water facilities.

“Revenue of the System” means all earnings, revenue and money received by the City from or on account of the operation of the System, including the income from contract payments by users of regional facilities of the System and income from investments of money in the Operating Fund and the Bond Fund or from any other investment of such earnings and revenue except the income from investments irrevocably pledged to the payment of revenue bonds refunded pursuant to a plan of refunding now or hereafter adopted by the City. The words “Revenue of the System” shall also include federal, state or municipal reimbursements of operating expenses to the extent such expenses are part of the Cost of Maintenance and Operation of the System.

“Rule” means the SEC’s Rule 15c2-12 under the Securities and Exchange Act of 1934, as the same may be amended from time-to-time.

“SEC” means the Securities and Exchange Commission.

“Sinking Fund Account” means an account created in the Bond Fund to amortize the principal of Term Bonds.

“Storm Drainage Refunded Bonds” means the outstanding 1998 Storm Drainage Bonds of the City maturing in the years 2011 through 2013, inclusive, and 2018, issued pursuant to Ordinance No. 98-20, the refunding of which has been provided for by this ordinance.

“Storm Drainage System” means the storm drainage system of the City, which is being combined with the Water and Sewer System.

“System” means the combined Water and Sewer System and the Storm Drainage System as they now exist and as they may be added to and improved for as long as any Parity Bonds are outstanding. The System includes regional facilities used jointly with other public agencies. The City may separate the Storm Drainage System from the Water and Sewer System at a later date.

“Term Bond Maturity Year” means any year which is designated as a Term Bond Maturity Year in an ordinance authorizing the issuance of Parity Bonds. “Term Bonds” means any Parity Bonds maturing in a Term Bond Maturity Year. “Future Parity Term Bonds” means any Future Parity Bonds maturing in a Term Bond Maturity Year.

“2004 Water and Sewer Bonds” means the City’s Water and Sewer Revenue Refunding Bonds, 2004, issued under date of October 1, 2004, in the principal amount of \$8,205,000 pursuant to Ordinance No. 2004-32.

“2007 Water and Sewer Bonds” means the City’s Water and Sewer Revenue Bonds, 2007, issued under date of November 21, 2007, in the principal amount of \$5,225,000 pursuant to Ordinance No. 2007-43.

“ULID” means a utility local improvement district in which Assessments have been or will be levied for improvements financed in whole or in part from proceeds of any Parity Bonds.

“Water and Sewer Refunded Bonds” means the outstanding 1998 Water and Sewer Bonds of the City maturing in the years 2011 through 2013, inclusive, 2018 and 2023, issued pursuant to Ordinance No. 98-19, the refunding of which has been provided for by this ordinance.

“Water and Sewer System” means the combined water and sewer system of the City as it now exists and as it may be added to and improved for as long as any Water and Sewer Bonds are outstanding.

Section 2. Plan of Improvements. The City hereby specifies and adopts a system or plan of additions to and betterments of the System, consisting of the acquisition, construction and equipping of improvements to the wastewater treatment plant, headworks, sewer interceptor and pump station improvements, and storm water improvements and any other capital improvements to the System (collectively, the "Project").

The estimated cost of the Project to be funded with Bond proceeds is estimated to be \$14,545,000.

Section 3. Findings of Parity. The City Council hereby finds and determines as required by Section 10 of Ordinance No. 2004-32 and Section 12 of Ordinance No. 2007-43 (collectively, the "Parity Sections") as follows:

A. That the Bonds will be issued for a lawful purpose of the City relating to the System.

B. That at the time of adoption of this ordinance and at the time of the issuance and delivery of the Bonds there is not nor will there be any deficiency in the Bond Fund, the Debt Service Account, the Sinking Fund Account or the Reserve Account.

C. That the principal of and interest on the Bonds shall be payable out of the Bond Fund and all Reserve Account requirements of Section 7 of Ordinance No. 2004-32 and Section 8 of Ordinance No. 2007-43 are met.

D. The City will have a parity certificate as referenced by Ordinances No. 98-19 and 98-20 prior to the issuance of the Bonds.

E. The applicable conditions of Ordinances No. 2004-32 and 2007-43 having been complied with in connection with the issuance of the Bonds, the pledge contained herein of Revenue of the System to pay and secure the payment of the Bonds shall constitute a lien and

charge upon such Revenue equal in rank with the lien and charge upon the Revenue to pay and secure the payment of the Outstanding Water and Sewer Bonds.

Section 4. Authorization of Bonds. The City shall issue and sell the Bonds in the aggregate principal amount of \$18,705,000 to finance the Project and to refund the Refunded Bonds. The Bonds shall be designated the "City of Wenatchee, Washington, Water and Sewer Revenue and Refunding Bonds, 2011," shall be dated as of the date of their initial delivery, shall be fully registered as to both principal and interest, shall be in the denomination of \$5,000 each or any integral multiple thereof, provided that no Bond shall represent more than one maturity, shall be numbered separately in such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification and control, and shall bear interest at the following rates per annum payable on December 1, 2011, and semiannually thereafter on the first days of each June and December, calculated on the basis of a 360-day year with twelve 30-day months, and shall mature on the first day of December in the years and amounts as follows:

Maturity Dates	Principal Amounts	Interest Rates
2011	\$ 550,000	3.00%
2012	870,000	3.00
2013	900,000	3.00
2014	920,000	2.00
2015	400,000	2.00
2015	540,000	4.00
2016	970,000	2.25
2017	990,000	3.00
2018	1,020,000	3.00
2019	170,000	3.00
2019	675,000	4.00
2021	1,795,000	4.50
2022	455,000	4.00
2022	505,000	5.00
2023	1,005,000	4.00
2026	2,715,000	4.375
2030	4,225,000	4.75

Section 5. Registration, Exchange and Payments.

A. *Registrar/Bond Register.* The City hereby adopts the system of registration approved by the Washington State Finance Committee, which utilizes the fiscal agency of the State of Washington in New York, New York, as registrar, authenticating agent, paying agent and transfer agent (the "Bond Registrar"). The Bond Registrar shall keep, or cause to be kept, at its principal corporate trust office, sufficient records for the registration and transfer of the Bonds (the "Bond Register"), which shall be open to inspection by the City. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of such Bonds and this ordinance and to carry out all of the Bond Registrar's powers and duties under this ordinance. The Bond Registrar shall be responsible for its representations contained in the Certificate of Authentication on the Bonds.

B. *Registered Ownership.* The City and the Bond Registrar may deem and treat the Registered Owner of each Bond as the absolute owner for all purposes, and neither the City nor the Bond Registrar shall be affected by any notice to the contrary. Payment of any such Bond shall be made only as described in Section 5H hereof, but such registration may be transferred as herein provided. All such payments made as described in Section 5.H shall be valid and shall satisfy the liability of the City upon such Bond to the extent of the amount or amounts so paid.

C. *DTC Acceptance/Letter of Representations.* The Bonds shall initially be held in fully immobilized form by DTC acting as depository. To induce DTC to accept the Bonds as eligible for deposit at DTC, the City has heretofore executed and delivered to DTC a Blanket Issuer Letter of Representations (the "Letter of Representations").

Neither the City nor the Bond Registrar will have any responsibility or obligation to DTC participants or the persons for whom they act as nominees with respect to the Bonds for the accuracy of any records maintained by DTC or any DTC participant, the payment by DTC or any DTC participant of any amount in respect of the principal of or interest on Bonds, any notice that is permitted or required to be given to Registered Owners under this ordinance (except such notices as shall be required to be given by the City to the Bond Registrar or to DTC), the selection by DTC or any DTC participants of any person to receive payment in the event of a partial redemption of the Bonds or any consent given or other action taken by DTC as the Registered Owner. For so long as any Bonds are held in fully immobilized form hereunder, DTC or its successor depository shall be deemed to be the Registered Owner for all purposes, and all references in this ordinance to the Registered Owners shall mean DTC or its nominee and shall not mean the owners of any beneficial interest in any Bonds.

D. *Use of Depository.*

(1) The Bonds shall be registered initially in the name of CEDE & Co., as nominee of DTC, with a single Bond for each maturity in a denomination equal to the total principal amount of such maturity. Registered ownership of such immobilized Bonds, or any portions thereof, may not thereafter be transferred except (a) to any successor of DTC or its nominee, provided that any such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (b) to any substitute depository appointed by the City pursuant to subsection (2) below or such substitute depository's successor; or (c) to any person as provided in subsection (4) below.

(2) Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository or a determination by the City to

discontinue the system of book entry transfers through DTC or its successor (or any substitute depository or its successor), the City may appoint a substitute depository. Any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

(3) In the case of any transfer pursuant to clause (a) or (b) of subsection (1) above, the Bond Registrar shall, upon receipt of all outstanding Bonds, together with a written request on behalf of the City, issue a single new Bond for each maturity then outstanding, registered in the name of such successor or substitute depository, or its nominee, all as specified in such written request of the City.

(4) In the event that (a) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or (b) the City determines that it is in the best interest of the beneficial owners of the Bonds that the Bonds be provided in certificated form, the ownership of such Bonds may then be transferred to any person or entity as herein provided, and shall no longer be held in fully immobilized form. The City shall deliver a written request to the Bond Registrar, together with a supply of definitive Bonds in certificated form, to issue Bonds in any authorized denomination. Upon receipt by the Bond Registrar of all then outstanding Bonds, together with a written request on behalf of the City to the Bond Registrar, new Bonds shall be issued in the appropriate denominations and registered in the names of such persons as are provided in such written request.

E. *Transfer or Exchange of Registered Ownership; Change in Denominations.* The registered ownership of any Bond may be transferred or exchanged, but no transfer of any Bond shall be valid unless it is surrendered to the Bond Registrar with the

assignment form appearing on such Bond duly executed by the Registered Owner or such Registered Owner's duly authorized agent in a manner satisfactory to the Bond Registrar. Upon such surrender, the Bond Registrar shall cancel the surrendered Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee, a new Bond (or Bonds at the option of the new Registered Owner) of the same date, maturity and interest rate and for the same aggregate principal amount in any authorized denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Bond, in exchange for such surrendered and canceled Bond. Any Bond may be surrendered to the Bond Registrar and exchanged, without charge, for an equal aggregate principal amount of Bonds of the same date, maturity and interest rate, in any authorized denomination. The Bond Registrar shall not be obligated to transfer or exchange any Bond during a period beginning at the opening of business on the 15th day of the month next preceding any interest payment date and ending at the close of business on such interest payment date or, in the case of any proposed redemption of the Bonds, after the mailing of notice of the call of such Bonds for redemption.

F. *Bond Registrar's Ownership of Bonds.* The Bond Registrar may become the Registered Owner of any Bond with the same rights it would have if it were not the Bond Registrar, and to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as member of, or in any other capacity with respect to, any committee formed to protect the rights of the Registered Owners of the Bonds.

G. *Registration Covenant.* The City covenants that, until all Bonds have been surrendered and canceled, it will maintain a system for recording the ownership of each Bond that complies with the provisions of Section 149 of the Code.

H. *Place and Medium of Payment.* Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America. For so long as all Bonds are in fully immobilized form, payments of principal and interest shall be made as provided in accordance with the operational arrangements of DTC referred to in the Letter of Representations. In the event that the Bonds are no longer in fully immobilized form, interest on the Bonds shall be paid by check or draft mailed to the Registered Owners at the addresses for such Registered Owners appearing on the Bond Register on the 15th day of the month preceding the interest payment date, and principal of the Bonds shall be payable upon presentation and surrender of such Bonds by the Registered Owners at the principal office of the Bond Registrar; provided, however, that if so requested in writing by the Registered Owner of at least \$1,000,000 principal amount of Bonds, interest will be paid by wire transfer on the date due to an account with a bank located within the United States.

Section 6. Redemption.

A. *Optional Redemption.* The Bonds maturing on December 1 in the years 2011 through 2021 are not subject to redemption prior to their stated maturities. The City hereby reserves the right to redeem the outstanding Bonds maturing on and after December 1, 2022 in whole or in part (maturities to be selected by the City and randomly within a maturity in such manner as DTC or the Bond Registrar, as appropriate, shall determine) on June 1, 2021, and on any date thereafter, at par, plus accrued interest to the date of redemption.

B. *Mandatory Redemption.* The Bonds maturing on December 1, 2021, 2026 and 2030 (which shall be deemed to be Term Bonds), shall be redeemed prior to maturity randomly (or paid at maturity), not later than December 1 in the following years (to the extent such Bonds have not been previously redeemed or purchased) and in the principal amounts set

forth below, without premium, together with the interest accrued to the date fixed for redemption.

2021 Term Bonds

Year	Amount
2020	\$ 875,000
2021*	920,000

* Maturity.

2026 Term Bonds

Year	Amount
2024	\$ 865,000
2025	905,000
2026*	945,000

* Maturity.

2030 Term Bonds

Year	Amount
2027	\$ 985,000
2028	1,030,000
2029	1,080,000
2030*	1,130,000

* Final maturity.

C. *Partial Redemption.* If less than all of the principal amount of any Bond is redeemed, upon surrender of such Bond at the principal office of the Bond Registrar, there shall be issued to the Registered Owner, without charge, for the then unredeemed balance of the principal amount, a new Bond or Bonds, at the option of the Registered Owner, of like maturity and interest rate in any authorized denomination.

D. *Notice of Redemption.* Written notice of any redemption of Bonds shall be given by the Bond Registrar on behalf of the City by first class mail, postage prepaid, not less than 30 days nor more than 60 days before the redemption date to the Registered Owners of Bonds that are to be redeemed at their last addresses shown on the Bond Register. So long as the

Bonds are in book entry form, notice of redemption shall be given as provided in the Letter of Representations.

The requirements of this section shall be deemed complied with when notice is mailed, whether or not it is actually received by the owner.

In the case of an optional redemption, the notice may state that the City retains the right to rescind the redemption notice and the related optional redemption of Bonds by giving a notice of rescission to the affected registered owners at any time prior to the scheduled optional redemption date. Any notice of optional redemption that is so rescinded shall be of no effect, and the Bonds for which the notice of optional redemption has been rescinded shall remain outstanding.

Each notice of redemption shall contain the following information: (1) the redemption date, (2) the redemption price, (3) if less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the principal amounts) of the Bonds to be redeemed, (4) that on the redemption date the redemption price will become due and payable upon each Bond or portion called for redemption, and that interest shall cease to accrue from the redemption date, (5) that the Bonds are to be surrendered for payment at the principal office of the Bond Registrar, (6) the CUSIP numbers of all Bonds being redeemed, (7) the dated date of the Bonds, (8) the rate of interest for each Bond being redeemed, (9) the date of the notice, and (10) any other information needed to identify the Bonds being redeemed.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

E. *Effect of Redemption.* Unless the City has revoked a notice of redemption, the City shall transfer to the Bond Registrar amounts that, in addition to other money, if any, held by the Bond Registrar, will be sufficient to redeem, on the redemption date, all the Bonds to be redeemed. From the redemption date interest on each Bond to be redeemed shall cease to accrue.

F. *Amendment of Notice Provisions.* The foregoing notice provisions of this section, including but not limited to the information to be included in redemption notices and the persons designated to receive notices, may be amended by additions, deletions and changes in order to maintain compliance with duly promulgated regulations and recommendations regarding notices of redemption of municipal securities.

G. *Purchase on Open Market.* The City reserves the right to purchase any of the Bonds in the open market at any time and at any price.

Section 7. Operating Fund Priorities and Accounts.

A. *Operating Fund.* Special funds of the City known as the "Water and Sewer Fund," the "Regional Water Fund" and the "Storm Drainage Fund" (collectively, the "Operating Fund") have been established. The Revenue of the System, except income from the investment of money in the Bond Fund, shall be deposited in the Operating Fund as collected and the Operating Fund shall be held separate and apart from all other funds and accounts of the City. The money in the Operating Fund shall be used only for the following purposes and in the following order of priority:

First, to pay the Cost of Maintenance and Operation of the System.

Second, to make all payments required to be made into the Debt Service Account to pay the interest on any Parity Bonds for which money shall not have been provided by income from the investment of money in the Bond Fund.

Third, to make all payments required to be made into the Debt Service Account to pay the principal of any Parity Bonds for which money shall not have been provided by income from the investment of money in the Bond Fund.

Fourth, to make all payments which may hereafter be required to be made into any future Sinking Fund Account under any schedule for the amortization of Term Bonds.

Fifth, to make all payments required to be made into the Reserve Account to secure the payment of the Parity Bonds.

Sixth, to make all payments required to be made into the Regional Facilities Repair and Replacement Reserve Account or into any future repair, replacement or contingency reserve which may be required by the covenants of any ordinance authorizing the issuance of Future Parity Bonds.

Seventh, to make all payments required to be made into any other revenue bond redemption fund or revenue warrant redemption fund and debt service account or reserve account created to pay and secure the payment of the principal of and interest on any revenue bonds or revenue warrants of the City having a lien upon the Revenue of the System and the money in the Operating Fund junior and inferior to the lien thereon for the payment of the principal of and interest on Parity Bonds.

Eighth, to retire by redemption or purchase in the open market any outstanding water and sewer revenue bonds or revenue warrants of the City or to make necessary additions, betterments, improvements, extraordinary repairs, extensions and replacements of the System, deposit funds into the Rate Stabilization Account or any other lawful City purposes.

The City is a recipient of a local revitalization financing district award from the State to assist in financing the southern portion of the waterfront redevelopment area in the City,

including wastewater treatment plant upgrades to reduce odor and mitigate visual impacts. The Bonds will finance a portion of these improvements. To the extent the City Council does not pledge all of the property tax and sales tax increments the City receives from the State to general obligation bonds, the City may deposit a portion of such taxes into an account within the Operating Fund and use such taxes to pay principal of and interest on the Bonds.

B. *Regional Water Fund.* A separate fund has been established and is known as the Regional Water Fund. All costs of maintenance and operation of the regional water supply facilities, as such costs are defined in the contract between the City and the District dated February 13, 1979, and all costs of debt service on bonds issued to pay for regional water supply facilities shall be charged to such fund and all payments chargeable pursuant to such contract for the delivery of water from the regional water supply facilities to the City, the District and any future public agency users thereof and all income received from the investment of moneys derived from such payments shall be credited to such fund. The Regional Water Fund was established for the purpose of separately accounting for the costs of such regional facilities as between the City, the District and any future public agency user of the regional water supply facilities, and the establishment and maintenance of such fund shall not alter or impair the deposit of Revenue of the System into the Operating Fund or the priority of use of moneys in the Operating Fund as otherwise provided in this section.

C. *Regional Facilities Repair and Replacement Reserve Account.* A separate account has been established and is known as the Regional Facilities Repair and Replacement Reserve Account. The City has set aside and paid into such Account out of the proceeds of the 1979 Bonds the sum of \$250,000. All costs of replacements of and extraordinary repairs to regional water supply facilities which the City determines for any reason should not be paid from

money in the Regional Water Fund shall be paid out of the Regional Facilities Repair and Replacement Reserve Account. The Repair and Replacement Reserve was established for the purpose of insuring continuity of water supply for the City, the District and any future public agency user of regional water supply facilities. In the event money is withdrawn from the Repair and Replacement Reserve Account any such withdrawal shall be made up either forthwith from money available on hand in the Water and Sewer Fund and credited to the Regional Water Fund, or within 12 months following such withdrawal from the proceeds of future revenue bonds of the City, or by approximately equal monthly payments out of money to be paid into the Water and Sewer Fund and credited to the Regional Water Fund within a period of not more than two calendar years commencing with the first calendar year after such withdrawal.

D. *Rate Stabilization Account.* A special account of the City to be designated the "Rate Stabilization Account" (the "Rate Stabilization Account") has been authorized to be created within the Operating Fund, at the discretion of the Finance Director, to cope with future increases in revenue requirements of the System. The City may from time to time appropriate or budget amounts in the Operating Fund after making the deposits described in subparagraphs First through Seven in Section 7.A hereof for deposit in the Rate Stabilization Account and may from time to time withdraw amounts therefrom to prevent or mitigate rate increases or for other lawful purposes of the District related to the System. Amounts withdrawn from the Rate Stabilization Account shall increase Revenue of the System for the period for which they are withdrawn, and amounts deposited in the Rate Stabilization Account shall reduce Revenue of the System for the period for which they are deposited. Credits to or from the Rate Stabilization Account that occur within 90 days after the end of a fiscal year may be treated as occurring within such fiscal year. Earnings on the Rate Stabilization Account shall be credited to the Operating Fund.

Section 8. Bond Fund and Accounts—Required Payments. A special fund of the City known as the “Wenatchee Water and Sewer Revenue Bond Fund” was created by Section 8 of Ordinance No. 2331. A special fund of the City known as the “Wenatchee Storm Drainage Revenue Bond Fund” was created by Section 6 of Ordinance No. 98-20. A special fund of the City, known as the “Wenatchee Water, Sewer and Storm Drainage Revenue Bond Fund” (the “Bond Fund”), is hereby created. The Bond Fund shall be drawn upon for the sole purpose of paying and securing the payment of Parity Bonds. The Wenatchee Water and Sewer Revenue Bond Fund and the Wenatchee Storm Drainage Revenue Bond Fund are hereby merged into the Bond Fund, and all references to the Wenatchee Water and Sewer Revenue Bond Fund and the Wenatchee Storm Drainage Revenue Bond Fund and the accounts therein shall hereafter be deemed references to the Bond Fund and the corresponding accounts therein. The City shall deposit the Assessments into the Bond Fund for payment of the principal of and interest on Parity Bonds without allocation to any particular series of bonds payable from the Bond Fund.

A. *Debt Service Account.* A Debt Service Account is hereby created in the Bond Fund for the purpose of paying the interest on Parity Bonds and the principal of and premium, if any, on any Parity Bonds except Term Bonds.

As long as any Parity Bonds remain outstanding, the City hereby irrevocably obligates and binds itself to set aside and pay from the Operating Fund into the Debt Service Account those amounts necessary, with such other funds as are then on hand and available in the Debt Service Account, to pay the interest on all outstanding Parity Bonds and the principal of all outstanding Parity Bonds except and Term Bonds as such interest and principal respectively become due and payable.

B. *Sinking Fund Accounts.* If the City issues any Future Parity Term Bonds, it will provide in each ordinance authorizing the issuance of the same for the creation of a Sinking Fund Account and for a schedule of payments to be made from the Operating Fund into such Sinking Fund Account sufficient to amortize the principal of such Future Parity Term Bonds on or before the maturity date thereof. The City may merge the Sinking Fund Account into the Debt Service Account.

C. *Reserve Account.* A Reserve Account is hereby created in the Bond Fund for the purpose of securing the payment of Parity Bonds. The City hereby covenants and agrees that upon the issuance of the Bonds there will be on deposit in the Reserve Account, Bond proceeds or other available amounts in an amount at least equal to the least of (a) 1.25 times average Annual Debt Service on such Bonds, (b) 10% of the net proceeds of such series of Bonds, and (c) maximum Annual Debt Service on such Bonds.

The City further covenants and agrees that in the event it issues any Future Parity Bonds it will provide in each ordinance authorizing the issuance of the same that payments will be made into the Reserve Account so that on the date of the issuance of such Future Parity Bonds the total amount in the Reserve Account will be at least equal to the least of (a) 1.25 times average Annual Debt Service on such bonds, (b) 10% of the net proceeds of such series of bonds, and (c) maximum Annual Debt Service on such bonds.

The City further covenants and agrees that when the required deposits have been made into the Reserve Account, it will at all times maintain therein an amount at least equal to such maximum amount as the same may be recalculated and determined from time to time. Whenever there is a sufficient amount in the Debt Service Account, the Sinking Fund Account and the Reserve Account to pay the principal of, premium if any, and interest on all Parity Bonds then

outstanding, the money in the Reserve Account may be used to pay such principal, premium, if any, and interest. Money in the Reserve Account may be withdrawn to redeem and retire, and to pay the interest due to such date of redemption and premium, if any, on any outstanding Parity Bonds so long as the money remaining on deposit in the Reserve Account is at least equal to the maximum total amount required in any calendar year thereafter except a Term Bond Maturity Year to be paid for the principal of and interest on all Parity Bonds then outstanding and to make the annual required payments into the Sinking Fund Account.

In the event there shall be a deficiency in the Debt Service Account to meet maturing installments of either interest on or principal of and interest on any Parity Bonds or a deficiency in the Sinking Fund Account to meet the required schedule of payments for the amortization of Term Bonds, such deficiency shall be made up from the Reserve Account by the withdrawal of money therefrom. Any deficiency created in the Reserve Account by reason of any such withdrawal shall be made up out of money in the Operating Fund after making necessary provision for the payments required to be made by subparagraphs First, Second, Third and Fourth of Section 7.

The City may obtain Qualified Insurance or a Qualified Letter of Credit to fund all or a portion of the Reserve Account. Such Qualified Insurance or Qualified Letter of Credit shall not be cancellable on less than five years' notice. In the event of any cancellation, the Reserve Account shall be funded in not more than 18 approximately equal consecutive monthly installments.

D. *Pledge.* Said amounts so pledged to be paid into the Debt Service Account, the Sinking Fund Account and the Reserve Account from the Operating Fund are hereby declared to be a prior lien and charge upon the Revenue of the System superior to all

other charges of any kind or nature whatsoever except the Cost of Maintenance and Operation of the System and except that the amounts so pledged are of equal lien to the charges upon such Revenue which have been or may hereafter be made to pay and secure the payment of the principal of and interest on Parity Bonds.

E. The Council hereby finds that in fixing the amounts to be paid into the Bond Fund out of the Revenue of the System, it has exercised due regard for the Cost of Maintenance and Operation and has not obligated the City to set aside and pay into such Fund a greater amount of such Revenue than in its judgment will be available over and above the Cost of Maintenance and Operation.

F. *Investments.* Money in the Bond Fund not needed to pay the interest or principal next coming due on any outstanding Parity Bonds or to provide the amounts of money required for the Sinking Fund Account or to maintain required reserves may be used to redeem and retire such Parity Bonds or may be invested as permitted by law. Investments in the Reserve Account shall mature not later than the last maturity of any then outstanding Parity Bonds. All interest earned and income derived by virtue of investments of money in the Debt Service Account, the Sinking Fund Account or the Reserve Account shall remain in the Bond Fund, and all such investment income may be used to meet the required deposits into any account in the Bond Fund.

Section 9. Refunding of the Refunded Bonds.

A. *Appointment of Refunding Trustee.* U.S. Bank National Association of Seattle, Washington, is appointed Refunding Trustee.

B. *Use of Bond Proceeds; Acquisition of Acquired Obligations.* A sufficient amount of the proceeds of the sale of the Bonds shall be deposited immediately upon the receipt

thereof with the Refunding Trustee and used to discharge the obligations of the City relating to the Refunded Bonds under Ordinances No. 98-19 and 98-20 by providing for the payment of the amounts required to be paid by the Refunding Plan. To the extent practicable, such obligations shall be discharged fully by the Refunding Trustee's simultaneous purchase of United States Treasury Certificates of Indebtedness and/or Notes--State and Local Government Series or other direct, noncallable obligations of the United States of America (the "Acquired Obligations"), bearing such interest and maturing as to principal and interest in such amounts and at such times so as to provide, together with a beginning cash balance, if necessary, for the payment of the amount required to be paid by the Refunding Plan. The Acquired Obligations will be listed and more particularly described in Exhibit B attached to the Refunding Trust Agreement between the City and the Refunding Trustee. Any Bond proceeds or other money deposited with the Refunding Trustee not needed to purchase the Acquired Obligations and provide a beginning cash balance, if any, and pay the costs of issuance of the Bonds shall be returned to the City at the time of delivery of the Bonds to the initial purchaser thereof and deposited in the Project Fund to pay costs of the Project.

C. *Substitution of Acquired Obligations.* Prior to the purchase of any Acquired Obligations by the Refunding Trustee, the City reserves the right to substitute other direct, noncallable obligations of the United States of America ("Substitute Obligations") for any of the Acquired Obligations and to use any savings created thereby for any lawful City purpose if, (a) in the opinion of the City's bond counsel, the interest on the Bonds and the Refunded Bonds will remain excluded from gross income for federal income tax purposes under Sections 103, 148, and 149(d) of the Code, and (b) such substitution shall not impair the timely

payment of the amounts required to be paid by the Refunding Plan, as verified by a nationally recognized independent certified public accounting firm.

After the purchase of the Acquired Obligations by the Refunding Trustee, the City reserves the right to substitute therefor cash or Substitute Obligations subject to the conditions that such money or securities held by the Refunding Trustee shall be sufficient to carry out the Refunding Plan, that such substitution will not cause the Bonds or the Refunded Bonds to be arbitrage bonds within the meaning of Section 148 of the Code and regulations thereunder in effect on the date of such substitution and applicable to obligations issued on the issue dates of the Bonds and the Refunded Bonds, as applicable, and that the City obtain, at its expense: (1) a verification by a nationally recognized independent certified public accounting firm acceptable to the Refunding Trustee confirming that the payments of principal of and interest on the substitute securities, if paid when due, and any other money held by the Refunding Trustee will be sufficient to carry out the Refunding Plan; and (2) an opinion from bond counsel to the City, its successor, or other nationally recognized bond counsel to the City, to the effect that the disposition and substitution or purchase of such securities, under the statutes, rules, and regulations then in force and applicable to the Bonds, will not cause the interest on the Bonds or the Refunded Bonds to be included in gross income for federal income tax purposes and that such disposition and substitution or purchase is in compliance with the statutes and regulations applicable to the Bonds. Any surplus money resulting from the sale, transfer, other disposition, or redemption of the Acquired Obligations and the substitutions therefor shall be released from the trust estate and transferred to the City to be used for any lawful City purpose.

D. *Administration of Refunding Plan.* The Refunding Trustee is authorized and directed to purchase the Acquired Obligations (or Substitute Obligations) and to make the

payments required to be made by the Refunding Plan from the Acquired Obligations (or Substitute Obligations) and money deposited with the Refunding Trustee pursuant to this ordinance. All Acquired Obligations (or Substitute Obligations) and the money deposited with the Refunding Trustee and any income therefrom shall be held irrevocably, invested and applied in accordance with the provisions of Ordinances No. 98-19 and 98-20, this ordinance, chapter 39.53 RCW and other applicable statutes of the State of Washington and the Refunding Trust Agreement. All necessary and proper fees, compensation, and expenses of the Refunding Trustee for the Bonds and all other costs incidental to the setting up of the escrow to accomplish the refunding of the Refunded Bonds and costs related to the issuance and delivery of the Bonds, including bond printing, bond counsel's fees, and other related expenses, shall be paid out of the proceeds of the Bonds.

E. *Authorization for Refunding Trust Agreement.* To carry out the Refunding Plan provided for by this ordinance, the Executive Services Director or Finance Director of the City is authorized and directed to execute and deliver to the Refunding Trustee a Refunding Trust Agreement setting forth the duties, obligations and responsibilities of the Refunding Trustee in connection with the payment, redemption, and retirement of the Refunded Bonds as provided herein and stating that the provisions for payment of the fees, compensation, and expenses of such Refunding Trustee set forth therein are satisfactory to it. Prior to executing the Refunding Trust Agreement, the Executive Services Director or Finance Director of the City is authorized to make such changes therein that do not change the substance and purpose thereof or that assure that the escrow provided therein and the Bonds are in compliance with the requirements of federal law governing the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Section 10. Call for Redemption of the Refunded Bonds. The City calls for redemption on July 11, 2011, all of the Refunded Bonds at par plus accrued interest. Such call for redemption shall be irrevocable after the delivery of the Bonds to the initial purchaser thereof. The date on which the Refunded Bonds are herein called for redemption is the first date on which those bonds may be called.

The proper City officials are authorized and directed to give or cause to be given such notices as required, at the times and in the manner required, pursuant to Ordinances No. 98-19 and 98-20 in order to effect the redemption prior to their maturity of the Refunded Bonds.

Section 11. City Findings with Respect to Refunding. The Council finds and determines that the issuance and sale of the Bonds at this time will effect a savings to the City and is in the best interest of the City and its ratepayers and in the public interest. In making such finding and determination, the Council has given consideration to the fixed maturities of the Bonds and the Refunded Bonds, the costs of issuance of the Bonds and the known earned income from the investment of the proceeds of the issuance and sale of the Bonds and other money of the City used in the Refunding Plan pending payment and redemption of the Refunded Bonds.

The Council further finds and determines that the money to be deposited with the Refunding Trustee for the Refunded Bonds in accordance with Section 9 of this ordinance will discharge and satisfy the obligations of the City under Ordinances No. 98-19 and 98-20 with respect to the Refunded Bonds, and the pledges, charges, trusts, covenants, and agreements of the City therein made or provided for as to the Refunded Bonds, and that the Refunded Bonds shall no longer be deemed to be outstanding under such ordinances immediately upon the deposit of such money with the Refunding Trustee.

Section 12. Application of Bond Proceeds. The proceeds of the Bonds shall be deposited as follows:

A. A portion of the proceeds of the Bonds shall be used to carry out the Refunding Plan, which includes paying the costs of issuing the Bonds.

B. The amount required to fund the Reserve Account shall be deposited into such account.

C. The balance of the proceeds of the Bonds shall be used to finance the Project.

Section 13. Defeasance. In the event that money and/or "Government Obligations" (as now or may hereafter be defined in Ch. 39.53 RCW or its successor statute, if any) maturing at such time or times and bearing interest to be earned thereon in amounts (together with such money if necessary) sufficient to redeem and retire the Bonds or any of them in accordance with their terms are set aside in a special account to effect such redemption or retirement and such money and/or the principal of and interest on such obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Bond Fund for the payment of the principal of and interest on the Bonds so provided for and the owners of such Bonds shall cease to be entitled to any lien, benefit or security of this ordinance except the right to receive the funds so set aside and pledged, and such Bonds shall be deemed not to be outstanding hereunder.

Section 14. Certain Covenants. The City hereby covenants and agrees with the owner of each of the Parity Bonds for as long as any of the same remain outstanding as follows:

A. The City shall establish, maintain and collect lawful rates and charges for the use of the services and facilities of the System and all commodities sold, furnished or supplied by the System, and shall adjust such rates and charges from time to time so that:

(1) the Revenue of the System will at all times be sufficient (a) to pay all costs of and charges and expenses in connection with the proper operation and maintenance of the System, (b) to pay the principal of and interest on outstanding Parity Bonds, as and when the same shall become due and payable, (c) to make all payments required to be made into the Sinking Fund Account for the amortization of Term Bonds, (d) to make when due all payments which the City is obligated to make into the Reserve Account, (e) to make all other payments which the City is obligated to make pursuant to this ordinance and (f) to pay all taxes, assessments or other governmental charges lawfully imposed on the System or the revenue therefrom or payments in lieu thereof and any and all other amounts which the City may now and hereafter become obligated to pay from the Revenue of the System by law or contract; and

(2) the Net Revenue together with Assessment Income in each calendar year will equal at least the sum of (a) 125% of the amounts required in such calendar year to be paid as Annual Debt Service on the Parity Bonds minus the amount of Assessments collected in such year and (b) 100% of the amount of Assessments collected in such year.

B. After making or providing for the payments from the Operating Fund as required by Section 7 hereof, there shall be maintained in such Fund sufficient money to enable the City to continuously meet the Cost of Maintenance and Operation of the System on a current basis.

C. The City shall promptly take action to enforce the payment of delinquent service charges or contract payments by such means as are legally available.

D. The City will at all times keep and maintain the System in good repair, working order and condition and will at all times operate the System and the business in connection therewith in an efficient manner and at a reasonable cost.

E. The City will not sell or otherwise dispose of the System in its entirety unless simultaneously with such sale or disposition provision is made for payment into the Bond Fund of cash or Government Obligations (as now or hereafter defined in RCW 39.53) sufficient to pay the principal of and interest on all then outstanding Parity Bonds in accordance with the terms thereof nor will it sell or otherwise dispose of any part of the useful operating properties of the System in excess of 5% of the net utility plant of the System unless provision is made for payment into the Bond Fund of an amount which shall be in at least the same proportion to the net amount of Parity Bonds outstanding (defined as the total amount of such Parity Bonds less the amount of cash and investments in the Bond Fund and accounts therein) that the net revenue from the portion of the System sold or disposed of for the preceding fiscal year bears to the Net Revenue of the System for the same period. Any money so paid into the Bond Fund shall be used to retire all or part of such Bonds outstanding at the earliest possible date.

F. The City will not furnish any service of the System to any customer whatsoever free of charge.

G. The City will keep and maintain proper books and accounts with respect to the operations, income and expenditures of the System that are in accordance with proper and legal accounting procedures. After each fiscal year of the City's operation of the System it will prepare or cause to be prepared an operating statement of the System for such preceding fiscal year. Each such statement shall contain a statement in detail of the Revenue of the System, necessary and current expenses of operation and maintenance, repairs, administrative expenses

and expenditures for capital purposes of the System for such fiscal year and shall contain a statement as of the end of such year showing the status of all the funds and accounts created by the various ordinances pertaining to the operation of the System and authorizing the issuance of outstanding bonds payable from the Revenue of the System. Copies of such statement shall be placed on file in the office of the City Clerk and shall be open to inspection at any reasonable time by any owner or holder of outstanding Parity Bonds. All expenses incurred in the maintenance of such books and accounts and the preparation of such statement may be regarded and paid as an expense of operation of the System.

Section 15. Future Parity Bonds. The City hereby further covenants and agrees with the owners of each of the Bonds for as long as any of the same remain outstanding as follows:

The City will not issue any bonds having a greater or equal priority of lien upon the Revenue of the System to pay and secure the payment of the principal of and interest on such Bonds than the priority of lien created on such Revenue to pay and secure the payment of the principal of and interest on any outstanding Parity Bonds except as follows:

A. The City reserves the right to issue Future Parity Bonds for the purposes of

First, providing funds to acquire, construct, reconstruct, install, or replace any equipment, facilities, additions, betterments, or other capital improvements to the System for which it is authorized by law to issue revenue bonds, or

Second, refunding at or prior to their maturity any revenue bond anticipation notes or outstanding revenue bonds or other obligations payable out of the Revenue of the System and to pledge that payments will be made out of money in the Operating Fund into the Bond Fund and the accounts therein to pay and secure the payment of the principal of and interest on such Future

Parity Bonds on a parity with the payments required herein to be made out of such money into such Bond Fund and accounts to pay and secure the payment of the principal of and interest on any Parity Bonds then outstanding upon compliance with the following conditions:

(1) At the time of the issuance of any Future Parity Bonds there is no deficiency in the Bond Fund, the Debt Service Account, the Sinking Fund Account or the Reserve Account.

(2) The principal of and interest on any Future Parity Bonds shall be payable out of the Bond Fund and the requirements for Reserve Account payments in Section 8 hereof shall be met.

(3) If Future Parity Term Bonds are to be issued, the ordinances authorizing their issuance shall provide for a schedule of payments to be made from the Operating Fund into the Sinking Fund Account sufficient to amortize the principal of such Future Parity Term Bonds on or before the maturity date thereof.

(4) Prior to the delivery of any Future Parity Bonds, the City shall have on file in the office of the City Clerk a certificate of an independent engineer experienced in the design, construction and operation of municipal utilities showing that the Net Revenue determined and adjusted as hereinafter provided for each calendar year after the issuance of such Future Parity Bonds (the "Adjusted Net Revenue") will equal at least the sum of (a) 125% of the amounts required in each year to be paid as Annual Debt Service on all Parity Bonds outstanding plus the Parity Bonds proposed to be issued minus the amount of Assessments due in each year and (b) 100% of the amount of Assessments due in each year (the "Coverage Requirement").

The Adjusted Net Revenue shall be the Net Revenue for a period of any 12 consecutive months out of the 24 months immediately preceding the date of delivery of such proposed Future

Parity Bonds as adjusted by such engineer to take into consideration changes in Net Revenue estimated to occur under the following conditions for each year after such delivery for so long as any Parity Bonds, including the Future Parity Bonds proposed to be issued, shall be outstanding:

(i) the additional Net Revenue which would have been received if any change in rates and charges adopted prior to the date of such certificate and subsequent to the beginning of such 24 month period had been in force during the full 24 month period;

(ii) the additional Net Revenue which would have been received if any facility of the System which became fully operational after the beginning of such 24 month period had been so operating for the entire period;

(iii) the additional Net Revenue estimated by such engineer to be received as a result of any additions, betterments and improvements to and extensions of any facilities of the System which (i) are under construction at the time of such certificate or (ii) will be constructed from the proceeds of the Future Parity Bonds to be issued; and

(iv) the additional Net Revenue which would have been received if any customers added to the System during such 24 month period were customers for the entire period.

Such engineer may rely upon, and his certificate shall have attached thereto, financial statements of the System certified by the City Finance Director showing income and expenses for the period upon which the same is based. The certificate of such engineer shall be conclusive and the only evidence required to show compliance with the provisions and requirements of this subsection (4).

In lieu of such certificate of an engineer, prior to the issuance of Future Parity Bonds the City may have on file a certificate of an appropriate financial officer of the City stating that the Coverage Requirement will be met based on the Net Revenues for a period of any 12 consecutive months out of the 24 months preceding the delivery of such bonds for any future year on all outstanding Parity Bonds and the Future Parity Bonds to be issued.

Notwithstanding the foregoing requirement, if Future Parity Bonds are to be issued for the purpose of refunding at or prior to their maturity any part or all of the then outstanding Parity Bonds and the issuance of such refunding Future Parity Bonds will result in a debt service savings and does not require an increase of more than \$5,000 in any fiscal or calendar year for principal of and interest on such refunding Future Parity Bonds over and above the amount required in such year for the principal of and interest on the bonds being refunded thereby, the condition stated in subsection A(4) of this section need not be met.

B. Nothing herein contained shall prevent the City from issuing revenue bonds or other obligations which are a charge upon the Revenue of the System junior or inferior to the payments required by this ordinance to be made out of such Revenue into the Bond Fund and accounts therein to pay and secure the payment of any outstanding Parity Bonds.

C. Nothing herein contained shall prevent the City from issuing revenue bonds to refund maturing Parity Bonds for the payment of which money is not otherwise available.

Section 16. Lost or Destroyed Bonds. In case any Bonds shall be lost, stolen or destroyed, the Bond Registrar may authenticate and deliver a new bond or bonds of like amount, date, and tenor to the registered owner thereof upon the owner paying the expenses and charges of the Bond Registrar in connection therewith and upon his or her filing with the Bond Registrar

and the City evidence satisfactory to both that such Bond or Bonds were actually lost, stolen or destroyed and of his or her ownership thereof, and upon furnishing the Bond Registrar and the City with indemnity satisfactory to the Finance Director.

Section 17. Form of Bonds. The Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA

No. _____ \$ _____

STATE OF WASHINGTON
CITY OF WENATCHEE
WATER AND SEWER REVENUE AND REFUNDING BOND, 2011

INTEREST RATE: MATURITY DATE: CUSIP NO.: _____

REGISTERED OWNER:

PRINCIPAL AMOUNT: _____ DOLLARS

The City of Wenatchee, Washington, a municipal corporation organized and existing under and by virtue of the laws of the State of Washington (herein called the "City") hereby acknowledges itself to owe and for value received promises to pay, but only from the sources and as hereinafter provided, to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount indicated above and to pay interest thereon from June 9, 2011 or the most recent date to which interest has been paid or duly provided for, at the Interest Rate set forth above, payable December 1, 2011, and semiannually thereafter on the first days of each June and December until such principal sum is paid or payment has been duly provided for. Both principal of and interest on this bond are payable in lawful money of the United States of America. For so long as the bonds of this issue are held in fully immobilized form, payments of principal and interest thereon shall be made as provided in accordance with the operational arrangements of The Depository Trust Company ("DTC") referred to in the Blanket Issuer Letter of Representations from the City to DTC. In the event that the bonds of this issue are no longer held in fully immobilized form, interest on this bond shall be paid by check or draft mailed to the Registered Owner at the address appearing on the Bond Register on the 15th day of the month preceding the interest payment date, and principal of this bond shall be payable upon presentation and surrender of this bond by the Registered Owner at the principal office of the fiscal agency of the State of Washington in New York, New York (the "Bond Registrar").

This bond and the bonds of this issue are payable solely from the special fund of the City known as the "Wenatchee Water, Sewer and Storm Drainage Revenue Bond Fund" (herein called the "Bond Fund") created by the Bond Ordinance. The City has irrevocably obligated and bound itself to pay into the Bond Fund out of the Revenue of the System or from such other money as may be provided therefor in the Bond Ordinance certain amounts necessary to pay and secure the payment of the principal and interest on such bonds.

The bonds of this issue are not general obligations of the City.

This bond is one of an authorized issue of bonds of the City of like date and tenor except as to number, amount, rate of interest and date of maturity in the aggregate principal amount of \$18,705,000. This issue of bonds is authorized by Ordinance No. 2011-28 of the City (herein called the "Bond Ordinance") for the purpose of financing capital improvements to the water and sewer and storm drainage system of the City and to refund certain outstanding bonds of the water and sewer and storm drainage systems.

The bonds are subject to redemption as provided in the Bond Ordinance.

The bonds are interchangeable for bonds of any authorized denomination of an equal aggregate principal amount and of the same interest rate and maturity upon presentation and surrender to the Bond Registrar.

The City does hereby pledge and bind itself to set aside from the Operating Fund out of the Revenue of the System and to pay into the Bond Fund and the accounts created therein the various amounts required by the Bond Ordinance to be paid into and maintained in such Fund and accounts, all within the times provided by the Bond Ordinance.

To the extent more particularly provided by the Bond Ordinance the amounts so pledged to be paid from the Operating Fund out of the Revenue of the System into the Bond Fund and accounts therein shall be a lien and charge thereon equal in rank to the lien and charge upon said Revenue of the amounts required to pay and secure the payment of the outstanding Water and Sewer Revenue Refunding Bonds, 2004, Water and Sewer Revenue Bonds, 2007 and any revenue bonds of the City hereafter issued on a parity with the bonds of this issue and superior to all other liens and charges of any kind or nature, except the Cost of Maintenance and Operation of the System.

The City hereby covenants and agrees with the owner of this bond that it will keep and perform all the covenants of this bond and of the Bond Ordinance to be by it kept and performed, and reference is hereby made to the Bond Ordinance for a complete statement of such covenants.

The pledge of Revenue of the System and other obligations of the City under the Bond Ordinance may be discharged at or prior to the maturity or redemption of the bonds of this issue upon the making of provision for the payment thereof on the terms and conditions set forth in the Bond Ordinance.

The capitalized terms used herein have the meanings set forth in the Bond Ordinance. Reference is made to the Bond Ordinance and any and all modifications and amendments thereof for a description of the nature and extent of the security for the bonds of this issue, the funds or revenues pledged, and the terms and conditions upon which such bonds are issued.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Ordinance (as hereinafter defined) until the Certificate of Authentication hereon shall have been manually signed by the Bond Registrar.

It is hereby certified that all acts, conditions, and things required by the Constitution and statutes of the State of Washington to exist, to have happened, been done, and performed precedent to and in the issuance of this bond have happened, been done, and performed.

IN WITNESS WHEREOF, the City has caused this bond to be signed with the facsimile signature of the Mayor, to be attested by the facsimile signature of the City Clerk, and the corporate seal of the City to be imprinted hereon, all as of this 9th day of June, 2011.

CITY OF WENATCHEE, WASHINGTON

By /s/ facsimile
Mayor

(SEAL)

ATTEST:

 /s/ facsimile
City Clerk

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____

This bond is one of the bonds described in the within-mentioned Bond Ordinance and is one of the Water and Sewer Revenue and Refunding Bonds, 20011, of the City of Wenatchee, Washington, dated June 9, 2011.

WASHINGTON STATE FISCAL
AGENCY, Bond Registrar

By _____
Authorized Officer

Section 18. Execution and Authentication of the Bonds. The Bonds shall be signed on behalf of the City with the facsimile or manual signature of the Mayor and attested by the facsimile or manual signature of the City Clerk. The seal of the City shall be impressed or a facsimile thereof imprinted on the face of each Bond.

Only such Bonds as shall bear thereon a Certificate of Authentication in the form hereinbefore recited, manually executed by the Bond Registrar, shall be valid or obligatory for

any purpose or entitled to the benefits of this ordinance. Such Certificate of Authentication shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated, and delivered hereunder and are entitled to the benefits of this ordinance.

In case either of the officers who shall have executed the Bonds shall cease to be an officer or officers of the City before the Bonds so signed shall have been authenticated or delivered by the Bond Registrar, or issued by the City, such Bonds shall be valid nevertheless and may be issued by the City with the same effect as though the persons who had executed such Bonds had not ceased to be such officers.

Section 19. Sale of the Bonds. D.A. Davidson & Co of Seattle, Washington, has presented a purchase contract (the "Bond Purchase Contract") to the City offering to purchase the Bonds under the terms and conditions provided in the Bond Purchase Contract. The Council finds that entering into the Bond Purchase Contract is in the City's best interest and therefore accepts the offer contained therein and authorizes its execution by City officials.

Section 20. Approval of Official Statement. The Finance Director is hereby authorized to review, and approve on behalf of the City, an Official Statement to be used in the sale of the Bonds. The Council hereby deems the Preliminary Official Statement prepared in connection with the sale of the Bonds as final, pursuant to the Rule, except for the omission of information dependent upon the pricing of the Bonds and the completion of the underwriting agreement and ratifies the distribution of the Preliminary Official Statement to potential buyers of the Bonds.

Section 21. Authorization to Officials and Agents. The appropriate City officials, agents and representatives are hereby authorized and directed to do everything necessary for the

prompt issuance, execution and delivery of the Bonds and for the proper use and application of the proceeds of the sale thereof.

Section 22. Supplemental Ordinances.

A. The Council may adopt an ordinance or ordinances supplemental to this ordinance, which supplemental ordinance or ordinances thereafter shall become a part of this ordinance, for any one or more or all of the following purposes:

(1) To add to the covenants and agreements of the City in this ordinance contained other covenants and agreements thereafter to be observed, which shall not adversely affect the interests of the owners of any Parity Bonds, or to surrender any right or power herein reserved to or conferred upon the City.

(2) To make such provisions for the purpose of curing any ambiguities or of curing, correcting or supplementing any defective provision contained in this ordinance or any ordinance authorizing Future Parity Bonds in regard to matters or questions arising under such ordinances as the Council may deem necessary or desirable and not inconsistent with such ordinances and which shall not adversely affect the interest of the holders of Parity Bonds. Any such supplemental ordinance of the City may be adopted without the consent of the holders of any Parity Bonds at any time outstanding, notwithstanding any of the provisions of subsection B of this section.

B. With the consent of the owners of not less than 65% in aggregate principal amount of the Parity Bonds at the time outstanding, the Council may adopt an ordinance or ordinances supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this ordinance or of any supplemental ordinance; provided, however, that no such supplemental ordinance shall:

(1) Extend the fixed maturity of any Parity Bonds or the time of payment of interest thereon from their due date, or reduce the rate of interest thereon or the amount of the principal thereof, or reduce any premium payable on the redemption thereof, without the consent of the owner of each bond so affected; or

(2) Reduce the aforesaid percentage of bondowners required to approve any such supplemental ordinance, without the consent of the owners of all of the Parity Bonds then outstanding.

It shall not be necessary for the consent of bondowners under this subsection B to approve the particular form of any proposed supplemental ordinance, but it shall be sufficient if such consent shall approve the substance thereof.

Section 23. Tax Covenants. The City covenants that it will take all actions necessary to prevent interest on the Bonds from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of the Bonds or other funds of the City treated as proceeds of the Bonds at any time during the term of the Bonds which will cause interest on the Bonds to be included in gross income for federal income tax purposes. The City also covenants that it will, to the extent the arbitrage rebate requirement of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), is applicable to the Bonds, take all actions necessary to comply (or to be treated as having complied) with that requirement in connection with the Bonds, including the calculation and payment of any penalties that the City has elected to pay as an alternative to calculating rebatable arbitrage, and the payment of any other penalties if required under Section 148 of the Code to prevent interest on the Bonds from being included in gross income for federal income tax purposes.

Section 24. Undertaking to Provide Ongoing Disclosure. To meet the requirements of United States Securities and Exchange Commission (“SEC”) Rule 15c2-12(b)(5) (the “Rule”), as applicable to a participating underwriter for the Bonds, the City makes the following written undertaking (the “Undertaking”) for the benefit of owners or holders of the Bonds:

A. *Undertaking to Provide Annual Financial Information and Notice of Listed Events.* The City undertakes to provide or cause to be provided, either directly or through a designated agent, to the Municipal Securities Rulemaking Board (the ‘MSRB’), in an electronic format as prescribed by the MSRB, accompanied by identifying information as prescribed by the MSRB:

(1) Annual financial information and operating data of the type included in the final official statement for the Bonds and described in subsection B of this section (“annual financial information”);

(2) Timely notice (not in excess of ten business days after the occurrence of the event) of the occurrence of any of the following events with respect to the Bonds:

- principal and interest payment delinquencies;
- non-payment related defaults, if material;
- unscheduled draws on debt service reserves reflecting financial difficulties;
- unscheduled draws on credit enhancements reflecting financial difficulties;
- substitution of credit or liquidity providers, or their failure to perform;

- adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701 – TEB) or other material notices or determinations with respect to the tax status of the Bonds;

- modifications to rights of owners or holders of the Bonds, if material;

- Bond calls (other than scheduled mandatory redemptions of Term Bonds), if material, and tender offers;

- defeasances;

- release, substitution, or sale of property securing repayment of the Bonds, if material;

- rating changes;

- bankruptcy, insolvency, receivership or similar event of the City or other obligated party (a “Bankruptcy Event”);

- the consummation of a merger, consolidation, or acquisition involving the City or other obligated party or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

- appointment of a successor or additional trustee or the change of name of a trustee, if material.

A Bankruptcy Event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City or other obligated party in a

proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(3) Timely notice of a failure by the City to provide required annual financial information on or before the date specified in subsection B of this section.

B. *Type of Annual Financial Information Undertaken to be Provided.* The annual financial information that the City undertakes to provide in subsection A of this section:

(1) Shall consist of (i) annual financial statements prepared (except as noted in the financial statements) in accordance with applicable generally accepted accounting principles applicable to Washington state local governmental units, as such principles may be changed from time to time, which statements shall not be audited, except, however, that if and when audited financial statements are otherwise prepared and available to the City they will be provided; (ii) principal amount of outstanding Parity Bonds; (iii) debt service coverage for outstanding Parity Bonds; and (iv) rates for the System;

(2) Shall be provided not later than the last day of the ninth month after the end of each fiscal year of the City (currently, a fiscal year ending December 31), as such fiscal year may be changed as required or permitted by State law, commencing with the City's fiscal year ending December 31, 2010; and

(3) May be provided in a single or multiple documents, and may be incorporated by specific reference to documents available to the public on the Internet website of the MSRB or filed with the SEC.

C. *Amendment of Undertaking.* The Undertaking is subject to amendment after the primary offering of the Bonds without the consent of any owners or holder of any Bond, or of any broker, dealer, municipal securities dealer, participating underwriter, rating agency or the MSRB, under the circumstances and in the manner permitted by the Rule.

The City will give notice to the MSRB of the substance (or provide a copy) of any amendment to the Undertaking and a brief statement of the reasons for the amendment. If the amendment changes the type of annual financial information to be provided, the annual financial information containing the amended financial information will include a narrative explanation of the effect of that change on the type of information to be provided.

D. *Beneficiaries.* The Undertaking evidenced by this section shall inure to the benefit of the City and any owners or holder of Bonds, and shall not inure to the benefit of or create any rights in any other person.

E. *Termination of Undertaking.* The City's obligations under this Undertaking shall terminate upon the legal defeasance of all of the Bonds. In addition, the City's obligations under this Undertaking shall terminate if those provisions of the Rule which require the City to comply with this Undertaking become legally inapplicable in respect of the Bonds for any reason, as confirmed by an opinion of nationally recognized bond counsel or other counsel familiar with federal securities laws delivered to the City, and the City provides timely notice of such termination to the MSRB.

F. *Remedy for Failure to Comply with Undertaking.* As soon as practicable after the City learns of any failure to comply with the Undertaking, the City will proceed with due diligence to cause such noncompliance to be corrected. No failure by the City or other obligated person to comply with the Undertaking shall constitute a default in respect of the Bonds. The sole remedy of any owners or holder of a Bond shall be to take such actions as that owners or holder deems necessary, including seeking an order of specific performance from an appropriate court, to compel the City or other obligated person to comply with the Undertaking.

G. *Designation of Official Responsible to Administer Undertaking.* The Finance Director of the City (or such other officer of the City who may in the future perform the duties of that office) or his or her designee is authorized and directed in his or her discretion to take such further actions as may be necessary, appropriate or convenient to carry out the Undertaking of the City in respect of the Bonds set forth in this section and in accordance with the Rule, including, without limitation, the following actions:

(1) Preparing and filing the annual financial information undertaken to be provided;

(2) Determining whether any event specified in subsection A has occurred, assessing its materiality, where necessary, with respect to the Bonds, and preparing and disseminating any required notice of its occurrence;

(3) Determining whether any person other than the City is an “obligated person” within the meaning of the Rule with respect to the Bonds, and obtaining from such person an undertaking to provide any annual financial information and notice of listed events for that person in accordance with the Rule;

(4) Selecting, engaging and compensating designated agents and consultants, including but not limited to financial advisors and legal counsel, to assist and advise the City in carrying out the Undertaking; and

(5) Effecting any necessary amendment of the Undertaking.

Section 25. Authorization of Post Issuance Compliance Policy. The Council hereby authorizes the Executive Services Director or Finance Director to prepare and approve a post issuance compliance policy in connection with the Bonds.

Section 26. Consolidation. As permitted by Ordinances No. 2004-32 and 2007-43, authorizing the issuance of the 2004 Water and Sewer Bonds and 2007 Water and Sewer Bonds, the Storm Drainage System is hereby combined with the Water and Sewer System for financing purposes.

Section 27. Severability. If any one or more of the covenants or agreements provided in this ordinance to be performed on the part of the City shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements shall be null and void and shall be separable from the remaining covenants and agreements in this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the Bonds.


Section 28. Effective Date. This ordinance shall be effective five days after its passage, approval and publication as provided by law.

PASSED by the City Council of the City of Wenatchee, Washington, this 26th day of
May, 2011.

CITY OF WENATCHEE, WASHINGTON

By 
Mayor

ATTEST:


City Clerk

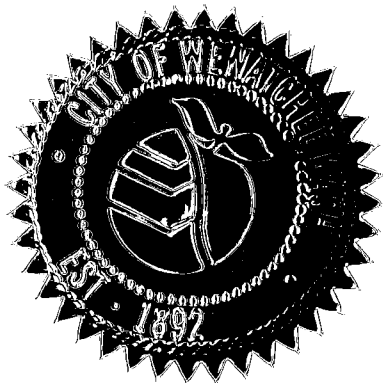
CERTIFICATE

I, the undersigned, the duly appointed, qualified and acting Clerk of the City of Wenatchee, Washington, and keeper of the records of the City Council (herein called the "Council"), DO HEREBY CERTIFY:

1. That the attached Ordinance No. 2011-28 (herein called the "Ordinance") is a true and correct copy of an ordinance of the Council, as finally passed at a regular meeting of the Council held on the 26th day of May, 2011, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Council voted in the proper manner for the passage of said Ordinance; that all other requirements and proceedings incident to the proper passage of said Ordinance have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Wenatchee, Washington, as of this 26 day of May, 2011.



Jammy Stanger
City Clerk